

Form 51 – 102F3

Material Change Report

1. Name and Address of Company

X-Terra Resources Inc. (“**X-Terra Resources**”)
139 Québec Avenue
Suite 202
Rouyn-Noranda, Québec
J9X 6M8

2. Date of Material Change

May 25, 2017.

3. News Release

X-Terra Resources issued a news release with respect to the material change described below on May 25, 2017 via CNW Telbec.

4. Summary of Material Change

On May 25, 2017, X-Terra Resources has held a first closing a non-brokered private placement by issuing 4,654,166 units at a price of \$0.24 per unit for gross proceeds to X-Terra Resources of \$1,117,000.

5. Full Description of Material Change

5.1. Full Description of Material Change

On May 25, 2017, X-Terra Resources has held a first closing a non-brokered private placement by issuing 4,654,166 units at a price of \$0.24 per unit for gross proceeds to X-Terra Resources of \$1,117,000. Each of the 4,654,166 units is comprised of one common share and one-half of a common share purchase warrant. Each whole warrant entitles its holder to acquire one additional common share of X-Terra Resources at a price of \$0.35 for a period of 24 months from the closing date.

Additional closings of the private placement may be held until June 19, 2017, subject to a maximum of 5,416,666 units, for total maximum gross proceeds of \$1,300,000.

X-Terra Resources will use the proceeds from the first closing of the private placement for exploration on its properties located in the province of Québec and for working capital purposes.

In connection with the private placement, X-Terra Resources paid cash sales commissions to various securities dealers and finders in an aggregate amount of \$10,440. In addition, X-Terra granted finder’s options to Canaccord Genuity Corp. and PI Financial Corp. entitling them to acquire up to an aggregate of 43,500 additional common shares of X-Terra Resources at a price of \$0.24 per share for a period of two years.

As a result of the first closing of the private placement, there are 22,915,889 common shares of X-Terra Resources issued and outstanding. Under applicable securities legislation, the securities

issued in the private placement are subject to a four-month hold period, expiring on September 26, 2017.

This material change report contains statements that may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding the future plans, costs, objectives or performance of X-Terra Resources, or the assumptions underlying any of the foregoing. In this material change report, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including the closing of the private placement. Forward-looking information is based on information available at the time and/or management’s good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond X-Terra Resources’ control. These risks, uncertainties and assumptions include, but are not limited to, those described under “Financial Instruments” and “Risk and Uncertainties” in X-Terra Resources’ Annual Report for the fiscal year ended December 31, 2016, a copy of which is available on SEDAR at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. X-Terra Resources does not intend, nor does X-Terra Resources undertake any obligation, to update or revise any forward-looking information contained in this material change report to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

5.2. Disclosure required for a “Restructuring Transaction”

Not applicable.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The executive officer who can answer questions regarding this report is Mr. Michael Ferreira, President and Chief Executive Officer of X-Terra Resources. Mr. Ferreira can be reached at (819) 762-4101.

9. Date of Report

June 2, 2017.